

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----- In the Matter of -----)

PUBLIC UTILITIES COMMISSION)

Instituting a Proceeding to Investigate the)
Issues and Requirements Raised by, and)
Contained in, Hawaii Revised Statutes)
Chapter 486H, as Amended)

DOCKET NO. 05-0002

F:\DOCUMENT\MLF\CHEVRON\PUC FILINGS\INFORMATION REQUESTS\)
THIRD SUBMISSION\PUC IR Response (01-06-06) (FINAL).doc)

CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS

AND

CERTIFICATE OF SERVICE

PUBLIC UTILITIES
COMMISSION

2006 JAN - 6 P 4: 26

FILED

MICHAEL H. LAU, ESQ.
KENT D. MORIHARA, ESQ.
MORIHARA LAU & FONG LLP
841 Bishop Street, Suite 400
Honolulu, Hawai'i 96813
Telephone No. (808) 528-4200

Attorneys for CHEVRON U.S.A. INC.

BEFORE THE PUBLIC UTILITIES COMMISSION

PUBLIC UTILITIES COMMISSION

DOCKET NO. 05-0002

**CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS**

COMES NOW, CHEVRON U.S.A. INC. ("Chevron"), by and through its attorneys,
hereby submits its Responses to the Public Utilities Commission's Information Requests dated
December 22, 2005. Pursuant to Order No. 21669, Chevron hereby files the following
attachments to its information request responses confidentially, to be provided only to the
Commission and the Division of Consumer Advocacy:

Attachment PUC-IR-43;
Attachment PUC-IR-44;
Attachment PUC-IR-45;
Attachment PUC-IR-46;
Attachment PUC-IR-47;
Attachment PUC-IR-48; and
Attachment PUC-IR-50.

Chevron is not providing the above confidential attachments to the other parties in the subject docket. These attachments contain information which Chevron considers confidential, business sensitive, trade secrets and/or proprietary information, the disclosure of which will cause business and economic harm to Chevron.

Due to the shortness of time for responding to the Commission's information requests,

Chevron is unable to provide responses to PUC-IR-42 and PUC-IR-49 at this time. However, Chevron will file its response to these information requests no later than January 30, 2006.

DATED: Honolulu, Hawaii, January 6, 2006.

A handwritten signature in black ink, appearing to read "Michael H. Lau", is positioned above a horizontal line.

MICHAEL H. LAU
KENT D. MORIHARA

Attorneys for CHEVRON U.S.A. INC.

CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS

PUC-IR-42 Please identify the refinery input, production and expense shift to produce 100% RBOB¹ gasoline at the refinery versus the current normal grades. The shift should be at constant crude and produce 7% less total gasoline to approximate the ethanol impact on Hawaii demands (10% ethanol blended, but 3% higher State demand due to lower mileage impact cited in the Stillwater report).

Please report the cost of the RBOB gasoline as a result of this process shift versus the normal gasoline production. Please specify price assumptions for all refinery inputs and products.

Response: The requested information is currently unavailable. Chevron is researching this matter and anticipates that it will be able to provide its response to this information request no later than January 30, 2006.

¹ RBOB refers to Reformulated Gasoline Blendstock for Oxygenate Blending.

CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS

PUC-IR-43 Please identify the relative additional cost of producing both a RBOB and a regular conventional grade of gasoline in an appropriate 80% RBOB/20% conventional ratio.

Response: The information requested contains confidential, business sensitive, trade secrets and/or proprietary information, disclosure of which will cause business and economic harm to Chevron. Notwithstanding the foregoing, Chevron is willing to provide the requested information to the Commission and the Consumer Advocate (but not the other parties), pursuant to Order No. 21669. See Confidential Attachment PUC-IR-43.

CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS

PUC-IR-44 Please identify the current pricing mechanism used for commercial bulk sales in Hawaii (pricing basis and adjustment factors), and identify the changes that either have been made, or are begin made, to recognize the ethanol mandate's impact on these transactions. Please identify the RBOB pricing basis and adjustment factors, non-RBOB pricing basis and adjustment factors, and the ethanol pricing basis being used for any gasoline or ethanol sales to bulk recipients.

Response: The information requested contains confidential, business sensitive, trade secrets and/or proprietary information, disclosure of which will cause business and economic harm to Chevron. Notwithstanding the foregoing, Chevron is willing to provide the requested information to the Commission and the Consumer Advocate (but not the other parties), pursuant to Order No. 21669. See Confidential Attachment PUC-IR-44.

CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS

ALL PARTIES

PUC-IR-45 The Commission appreciates the input from the Parties that the supply lines for imported ethanol are tenuous. For this reason, the costs associated with insuring a more reliable supply chain are important to reflect, and the status of establishing the supply lines and infrastructure is critical to understand. With the lead times necessary to finalize capital and expense related work for ethanol, and to secure ethanol in the imported market, as well as transportation and re-distribution to neighbor islands, we understand that each Party should have specific actions underway to meet this critical date.

Consequently, please identify in a timeline format (either MS Project or Excel), the specific operational plans that you are undertaking to meet the April 2006 mandate. These plans should reflect the timing of completion and testing of terminal service station facilities in each zone, initial fill dates for ethanol and RBOB gasoline production, initial ethanol cargo load and delivery dates (for ethanol importing Parties), and any critical actions related to the ethanol mandate.

Response: The information requested contains confidential, business sensitive, trade secrets and/or proprietary information, disclosure of which will cause business and economic harm to Chevron. Notwithstanding the foregoing, Chevron is willing to provide the requested information to the Commission and the Consumer Advocate (but not the other parties), pursuant to Order No. 21669. See Confidential Attachment PUC-IR-45.

CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS

PUC-IR-46 Please identify target inventory volume levels and days supply for neat ethanol² if you are an ethanol importer or have or will have ownership of ethanol in the state. Please identify any change in target inventory levels for gasoline post-ethanol after April 2006 (i.e., RBOB plus neat ethanol total volume in days supply) versus current inventory target levels.

Response: The information requested contains confidential, business sensitive, trade secrets and/or proprietary information, disclosure of which will cause business and economic harm to Chevron. Notwithstanding the foregoing, Chevron is willing to provide the requested information to the Commission and the Consumer Advocate (but not the other parties), pursuant to Order No. 21669. See Confidential Attachment PUC-IR-46.

² Neat ethanol is a pure ethanol fuel, not a gasoline-ethanol blend.

CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS

PUC-IR-47 For parties who may be importing ethanol, please provide the following information on your ethanol acquisition plans:

- a) Are you developing term ethanol supply arrangements or utilizing spot ethanol purchases?
- b) If term, please identify the ethanol cost basis (if not finalized, please discuss the potential arrangement and pricing basis)
- c) Please identify the expected method of delivery of the ethanol, freight contracting arrangements (term or spot), and the potential cost for transporting the ethanol. If terms are not finalized, please discuss the potential arrangement and cost basis.

Response: The information requested contains confidential, business sensitive, trade secrets and/or proprietary information, disclosure of which will cause business and economic harm to Chevron. Notwithstanding the foregoing, Chevron is willing to provide the requested information to the Commission and the Consumer Advocate (but not the other parties), pursuant to Order No. 21669. See Confidential Attachment PUC-IR-47.

CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS

PUC-IR-48 Please provide the specific capital and expense costs being incurred to prepare for the implementation of the ethanol mandate, overall and on a zone-by-zone and terminal basis. Please provide your current best estimate of costs on both a total and a cents per gallon ("cpg") basis. The cpg cost figures should be total ethanol mandate-related cost divided by total terminal gasoline volume throughput (RBOB plus ethanol) over a 12 month period. Any volume being throughput for third parties at the terminal should be included in the cpg cost.

Response: The information requested contains confidential, business sensitive, trade secrets and/or proprietary information, disclosure of which will cause business and economic harm to Chevron. Notwithstanding the foregoing, Chevron is willing to provide the requested information to the Commission and the Consumer Advocate (but not the other parties), pursuant to Order No. 21669. See Confidential Attachment PUC-IR-48.

CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS

PUC-IR-49 For applicable Parties, please provide the specific incremental barging operational costs expected to be incurred to meet the ethanol mandate. The barging costs provided in IRs in 2004 should be used as a basis, adjusted to any new barge contract terms. These should be identified and compared, on cpg basis, to the costs to transport the RBOB and neat ethanol to the same locations.

Response: The requested information is currently unavailable. Chevron is researching this matter and anticipates that it will be able to provide its response to this information request no later than January 30, 2006.

CHEVRON U.S.A. INC.'S RESPONSES TO
PUBLIC UTILITIES COMMISSION'S INFORMATION REQUESTS

PUC-IR-50 Please identify the typical capital amortization period used to recover capital costs for investments in terminal modifications in Hawaii and other mainland locations.

Response: The information requested contains confidential, business sensitive, trade secrets and/or proprietary information, disclosure of which will cause business and economic harm to Chevron. Notwithstanding the foregoing, Chevron is willing to provide the requested information to the Commission and the Consumer Advocate (but not the other parties), pursuant to Order No. 21669. See Confidential Attachment PUC-IR-50.

CERTIFICATE OF SERVICE

I hereby certify that on this date I served copies of the foregoing document upon the following parties, by causing hereof to be mailed, postage prepaid, properly addressed, or hand delivered, to the following:

DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
P. O. Box 541
Honolulu, Hawaii 96809

CRAIG I. NAKANISHI, ESQ.
RUSH MOORE LLP
737 Bishop St., Suite 2400
Honolulu, HI 96813

CLIFFORD K. HIGA, ESQ.
BRUCE NAKAMURA, ESQ.
KOBAYASHI, SUGITA & GODA
First Hawaiian Center
999 Bishop St., Suite 2600
Honolulu, HI 96813

KELLY G. LAPORTE, ESQ.
MARC E. ROUSSEAU, ESQ.
CADES SCHUTTE LLP
1000 Bishop St., Suite 1200
Honolulu, Hawaii 96813

DATED: Honolulu, Hawaii, January 6, 2006.



MICHAEL H. LAU
KENT D. MORIHARA

Attorneys for Chevron U.S.A. Inc.